

State of Arizona
House of Representatives
Forty-seventh Legislature
Second Regular Session
2006

HOUSE BILL 2869

AN ACT

AMENDING SECTIONS 5-382, 9-500.04, 15-349, 37-205 AND 41-803, ARIZONA REVISED STATUTES; AMENDING TITLE 45, CHAPTER 14, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 45-2473; PROVIDING FOR CONDITIONAL REPEAL OF SECTION 45-2473, ARIZONA REVISED STATUTES, AS ADDED BY THIS ACT; AMENDING SECTIONS 49-474.01 AND 49-573, ARIZONA REVISED STATUTES; AMENDING TITLE 37, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 37-110; MAKING APPROPRIATIONS; RELATING TO ENVIRONMENTAL PROTECTION BUDGET RECONCILIATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 5-382, Arizona Revised Statutes, is amended to
3 read:

4 5-382. State lake improvement fund; administration; report

5 A. A state lake improvement fund is established. Monies deposited in
6 the fund shall be used only as provided in this section.

7 B. All monies in the state lake improvement fund are appropriated to
8 the Arizona state parks board solely for the purposes provided in this
9 section. Interest earned on monies in the fund shall be credited to the
10 fund. Monies in the state lake improvement fund are exempt from the
11 provisions of section 35-190 relating to lapsing of appropriations.

12 C. The Arizona state parks board shall administer the monies in the
13 fund as follows:

14 1. To fund staff support to plan and administer the state lake
15 improvement fund and the law enforcement and boating safety fund established
16 ~~pursuant to~~ BY section 5-383 in conjunction with other administrative tasks
17 and recreation plans of the board.

18 2. To fund projects on waters where GASOLINE POWERED boats are
19 permitted and shall be limited to the following:

- 20 (a) Public launching ramps.
- 21 (b) Public piers, marinas or marina stadia.
- 22 (c) Public toilets, sanitation facilities and domestic waters.
- 23 (d) Public picnic tables and facilities.
- 24 (e) Public parking areas.
- 25 (f) Lake construction or improvement.
- 26 (g) Marking buoys and other safety facilities.
- 27 (h) Watercraft.
- 28 (i) Public campgrounds.
- 29 (j) Acquisition of real and personal property through purchase, lease,
30 agreement or otherwise for the purpose of providing access to waters where
31 boating is permitted.
- 32 (k) Design and engineering projects.

33 D. Projects involving expenditure of monies from such fund may be
34 accomplished by the Arizona state parks board, by the Arizona game and fish
35 commission, by the board of supervisors of any county, ~~or~~ by the governing
36 body of a city or town, provided such projects do not interfere with any
37 vested water rights, or the operation or maintenance of water projects,
38 including domestic, municipal, irrigation district, drainage district, flood
39 control district or reclamation projects. The Arizona outdoor recreation
40 coordinating commission, established ~~under~~ BY section 41-511.25, shall
41 examine applications for eligible projects, determine the amount of funding,
42 if any, for each project and submit a list of projects, subject to prior
43 review by the joint committee on capital review, to the Arizona state parks
44 board for allocation from the fund. The board shall annually report to the

1 legislature the expenditures made for such projects in conjunction with the
2 report required by section 41-511.12.

3 E. State lake improvement funds may be used on projects where matching
4 funds are made available.

5 Sec. 2. Section 9-500.04, Arizona Revised Statutes, is amended to
6 read:

7 9-500.04. Air quality control; definitions

8 A. The governing body of a city or town in area A or B as defined in
9 section 49-541 shall:

10 1. If the city has a population exceeding fifty thousand persons
11 according to the 1995 special census, adjust the work hours of at least
12 eighty-five per cent of municipal employees each year beginning October 1 and
13 ending April 1 in order to reduce the level of carbon monoxide concentrations
14 caused by vehicular travel.

15 2. In area A, in consultation with the designated metropolitan
16 planning organization, synchronize traffic control signals on all existing
17 and new roadways, within and across jurisdictional boundaries, which have a
18 traffic flow exceeding fifteen thousand motor vehicles per day.

19 3. In area A, beginning on January 1, 2000, develop and implement
20 plans to stabilize targeted unpaved roads, alleys and unpaved shoulders on
21 targeted arterials. The plans shall address the performance goals, the
22 criteria for targeting the roads, alleys and shoulders, a schedule for
23 implementation, funding options and reporting requirements.

24 4. In area A, acquire or utilize vacuum systems or other dust removal
25 technology to reduce the particulates attributable to conventional crack
26 sealing operations as existing equipment is retired.

27 5. In area B, synchronize traffic control signals on all roadways
28 which have a traffic flow exceeding fifteen thousand motor vehicles per day.

29 B. The governing body of a city or town in area B, ~~as~~ as defined in
30 section 49-541, ~~may~~ may make and enforce ordinances to reduce or encourage the
31 reduction of the commuter use of motor vehicles by employees of the city or
32 town and employees whose place of employment is within the city or town.

33 C. Except as provided in subsection F of this section, the governing
34 body of a city or town in area A, ~~as~~ as defined in section 49-541, ~~in~~ in a county
35 with a population of more than one million two hundred thousand persons
36 according to the most recent United States decennial census shall develop and
37 implement a vehicle fleet plan for the purpose of encouraging and
38 progressively increasing the use of alternative fuels and clean burning fuels
39 in city or town owned vehicles. The plan shall include a timetable for
40 increasing the use of alternative fuels and clean burning fuels in fleet
41 vehicles either through purchase or conversion.

42 D. The timetable shall reflect the following schedule and percentage
43 of vehicles which operate on alternative fuels and clean burning fuels:

- 1 1. At least eighteen per cent of the total fleet by December 31, 1995.
- 2 2. At least twenty-five per cent of the total fleet by December 31,
- 3 1996.
- 4 3. At least fifty per cent of the total fleet by December 31, 1998.
- 5 4. At least seventy-five per cent of the total fleet by December 31,
- 6 2000 and each year thereafter.
- 7 E. The requirements of subsections C and D of this section may be
- 8 waived on receipt of evidence acceptable to the city or town council that the
- 9 city or town is unable to acquire or be provided equipment or refueling
- 10 facilities necessary to operate vehicles using alternative fuels or clean
- 11 burning fuels at a projected cost that is reasonably expected to result in
- 12 net costs of no greater than ten per cent more than the net costs associated
- 13 with the continued use of conventional gasoline or diesel fuels measured over
- 14 the expected useful life of the equipment or facilities supplied.
- 15 Applications for waivers shall be filed with the department of environmental
- 16 quality pursuant to section 49-412. An entity that receives a waiver
- 17 pursuant to this section shall retrofit fleet heavy-duty diesel vehicles with
- 18 a gross vehicle weight of eight thousand five hundred pounds or more, that
- 19 were manufactured in or before model year 1993 and that are the subject of
- 20 the waiver with a technology that is effective at reducing particulate
- 21 emissions at least twenty-five per cent or more and that has been approved by
- 22 the United States environmental protection agency pursuant to the urban bus
- 23 engine retrofit/rebuild program. The entity shall comply with the
- 24 implementation schedule pursuant to section 49-555.
- 25 F. The plan prescribed by subsection C of this section shall include
- 26 provisions for the use of alternative fuels and clean burning fuels in the
- 27 bus fleet operated by that city or town or a regional public transportation
- 28 authority, except that all newly purchased buses shall use alternative fuel
- 29 or clean burning fuel. The bus fleet shall comply with the timetable
- 30 prescribed by subsection D of this section, except that the requirements of
- 31 subsections C and D of this section may be waived on receipt of certification
- 32 supported by evidence acceptable to the department of environmental quality
- 33 that the city or town is unable to acquire or be provided equipment or
- 34 refueling facilities necessary to operate vehicles using alternative fuels or
- 35 clean burning fuels at a projected cost that is reasonably expected to result
- 36 in net costs of no greater than twenty per cent more than the net costs
- 37 associated with the continued use of conventional gasoline or diesel fuels
- 38 measured over the expected useful life of the equipment or facilities
- 39 supplied.
- 40 G. IF THE REQUIREMENTS OF SUBSECTIONS C, D AND F OF THIS SECTION ARE
- 41 MET BY THE USE OF CLEAN BURNING FUEL, VEHICLE EQUIVALENTS UNDER THOSE
- 42 REQUIREMENTS SHALL BE CALCULATED AS FOLLOWS:
- 43 1. ONE VEHICLE EQUIVALENT FOR EVERY FOUR HUNDRED FIFTY GALLONS OF NEAT
- 44 BIODIESEL OR TWO THOUSAND TWO HUNDRED FIFTY GALLONS OF A DIESEL FUEL
- 45 SUBSTITUTE PRESCRIBED IN SECTION 1-215, PARAGRAPH 7, SUBDIVISION (b).

1 2. ONE VEHICLE EQUIVALENT FOR EVERY FIVE HUNDRED THIRTY GALLONS OF THE
2 FUEL PRESCRIBED IN SECTION 1-215, PARAGRAPH 7, SUBDIVISION (d).

3 ~~G.~~ H. For the ~~purpose~~ PURPOSES of this section, "alternative fuel"
4 and "clean burning fuel" have the same ~~meaning~~ MEANINGS prescribed in section
5 1-215.

6 Sec. 3. Section 15-349, Arizona Revised Statutes, is amended to read:
7 15-349. Operation of motor vehicle fleet; options to
8 conventional fuels

9 A. The governing board of a school district with an average daily
10 membership as defined in section 15-901 of more than three thousand ~~which~~
11 ~~THAT~~ is located within or ~~which~~ ~~THAT~~ has bus routes running within area A,
12 as defined in section 49-541,~~—~~ shall develop and implement, subject to the
13 availability of a state air quality funding source, a vehicle fleet plan for
14 vehicles with a gross vehicle weight rating of at least seventeen thousand
15 five hundred pounds for the purpose of encouraging the use of fuels listed
16 pursuant to this subsection in school district owned vehicles. The plan
17 shall provide for at least fifty per cent of the fleet with a gross vehicle
18 weight rating of at least seventeen thousand five hundred pounds to operate
19 on any of the following by December 31, 2004, and each year thereafter:

20 1. Alternative fuels or clean burning fuels as defined in section
21 1-215.

22 2. Ultra low sulfur diesel FUEL as defined in section 49-558.01 ~~and~~
23 that is used in an engine with an emission control device.

24 3. Vehicles powered by an engine that meets or exceeds an emission
25 standard for diesel particulate matter of 0.05 grams per brake horsepower
26 hour.

27 B. Engine retrofits or conversions meet the requirements of subsection
28 A of this section if they have been approved for use by any one of the
29 following:

30 1. The United States environmental protection agency voluntary
31 retrofit program.

32 2. The United States environmental protection agency verification
33 protocol for retrofit catalyst particulate filter and engine modification
34 control technologies for highway and nonroad use diesel engines.

35 3. The California air resources board diesel emission control strategy
36 verification procedure.

37 4. Sections 43100 and 43102 of the health and safety code of the state
38 of California.

39 5. Actual emission testing performed on the vehicle.

40 C. This section does not preclude a school district from using any
41 local, federal or private funding sources that may be available in order to
42 comply with the requirements of this section.

43 D. IF THE REQUIREMENTS OF SUBSECTION A OF THIS SECTION ARE MET BY THE
44 USE OF CLEAN BURNING FUEL AS DEFINED IN SECTION 1-215, VEHICLE EQUIVALENTS
45 UNDER THOSE REQUIREMENTS SHALL BE CALCULATED AS FOLLOWS:

1 1. ONE VEHICLE EQUIVALENT FOR EVERY FOUR HUNDRED FIFTY GALLONS OF NEAT
2 BIODIESEL OR TWO THOUSAND TWO HUNDRED FIFTY GALLONS OF A DIESEL FUEL
3 SUBSTITUTE PRESCRIBED IN SECTION 1-215, PARAGRAPH 7, SUBDIVISION (b).

4 2. ONE VEHICLE EQUIVALENT FOR EVERY FIVE HUNDRED THIRTY GALLONS OF THE
5 FUEL PRESCRIBED IN SECTION 1-215, PARAGRAPH 7, SUBDIVISION (d).

6 Sec. 4. Title 37, chapter 1, article 1, Arizona Revised Statutes, is
7 amended by adding section 37-110, to read:

8 37-110. Due diligence fund; exemption; reversion

9 A. THE DUE DILIGENCE FUND IS ESTABLISHED. THE COMMISSIONER SHALL USE
10 THE MONIES IN THE FUND TO PAY THE DEPARTMENT'S COSTS OF EVALUATING AND
11 PROCESSING SALES, LEASES, RIGHTS-OF-WAY OR OTHER USE PERMITS, INCLUDING
12 CULTURAL RESOURCE INVESTIGATIONS, LEGAL LAND SURVEYS, ENVIRONMENTAL
13 ASSESSMENTS, ECONOMIC CONSULTING AND ENGINEERING, PLANNING, LEGAL AND
14 GEOLOGICAL STUDIES.

15 B. THE FUND CONSISTS OF LEGISLATIVE APPROPRIATIONS AND REIMBURSEMENTS
16 TO THE DEPARTMENT BY WINNING BIDDERS FOR THE DEPARTMENT'S COSTS OF ADVANCE
17 DUE DILIGENCE INVESTIGATIONS AND ANALYSES PURSUANT TO SUBSECTION A OF THIS
18 SECTION. MONIES IN THE FUND ARE SUBJECT TO LEGISLATIVE APPROPRIATION.

19 C. THE COMMISSIONER SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE
20 EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO THE LAPSING OF
21 APPROPRIATIONS, EXCEPT THAT ALL MONIES IN THE FUND EXCEEDING FIVE HUNDRED
22 THOUSAND DOLLARS AT ANY TIME REVERT TO THE STATE GENERAL FUND.

23 Sec. 5. Section 37-205, Arizona Revised Statutes, is amended to read:

24 37-205. Due diligence costs related to disposition of land

25 A. In addition to other fees required by this title, AND INSTEAD OF
26 THE DEPARTMENT PERFORMING ADVANCE DUE DILIGENCE PURSUANT TO SECTION 37-110,
27 SUBSECTION A, the commissioner may require or allow an applicant to advance
28 or incur costs for evaluating and processing an application for a sale,
29 lease, right-of-way or other use permit, including cultural resource
30 investigations, legal land surveys, environmental assessments ~~and~~, economic
31 consulting, ~~AND~~ engineering, planning, legal or geological studies. Monies
32 that are advanced BY THE APPLICANT to the department pursuant to this
33 subsection shall be deposited and administered by the commissioner as
34 provided by section 37-108, subsection B.

35 B. If the successful bidder at an auction is not the applicant, the
36 successful bidder shall reimburse the applicant for fees and costs paid
37 pursuant to this section in amounts and on terms the commissioner or the
38 commissioner's designee directs in the auction notice. After receiving the
39 reimbursement amounts, the commissioner shall remit them to the applicant.

40 C. If an auction does not occur or a transaction is otherwise not
41 completed as a result of a mistake or circumstances caused by the department,
42 including issues arising out of concerns over title, misidentification of the
43 parcel and factors affecting the commissioner's view of the timeliness or
44 desirability of disposing of the parcel, then the commissioner, on the timely
45 written request of an applicant, may reimburse or cause to be reimbursed to

1 the applicant, on terms that the commissioner considers reasonable and
2 appropriate, from monies of the department all or part of the costs paid
3 pursuant to this section and application fees paid pursuant to section
4 37-108. Reimbursement for costs paid pursuant to this section may only be
5 for costs that the commissioner determines to represent an enhancement of
6 knowledge about the parcel or that tangibly or intangibly enhance the value
7 of the parcel. The commissioner may refuse any reimbursement request for any
8 reason.

9 Sec. 6. Section 41-803, Arizona Revised Statutes, is amended to read:

10 41-803. Operation of state motor vehicle fleet; public service
11 announcements; energy conservation; alternative and
12 clean burning fuels; definitions

13 A. The director shall operate a motor vehicle fleet for all state
14 owned motor vehicles for the purpose of providing transportation for state
15 officers and employees, except those officers and employees of any agency or
16 department excluded by subsection E of this section. The director shall make
17 fleet motor vehicles available to state agencies and departments on the
18 request of the chosen representative for that agency or department.

19 B. The director may adopt rules necessary for the administration of
20 the motor vehicle fleet. State agencies and departments, including agencies
21 and departments listed in subsection E of this section, may accept
22 compensation for placing public service announcements on state owned motor
23 vehicles, and monies received shall be deposited, pursuant to sections 35-146
24 and 35-147, in the state general fund. The agency or department director
25 shall determine the appropriateness of the announcements, may exempt any
26 vehicles that are not suitable for advertising and may contract with private
27 parties for design and placement of the announcements.

28 C. The director shall provide for detailed cost, operation,
29 maintenance, mileage and custody records for each state owned vehicle. On or
30 before August 1 of each year, all state agencies and departments, including
31 those listed in subsection E of this section, shall make information
32 available to the director regarding vehicle cost, operation, maintenance and
33 mileage and other information as established by the director in policies and
34 procedures for the purposes of the report prescribed in subsection R of this
35 section.

36 D. Each state department and agency shall pay from available monies
37 the cost of motor vehicle services received from the state motor vehicle
38 fleet at a rate determined by the director.

39 E. The following departments and agencies are excluded from
40 participation in the state motor vehicle fleet:

- 41 1. Department of public safety.
- 42 2. Department of transportation.
- 43 3. Department of economic security.
- 44 4. State department of corrections.
- 45 5. Universities and community colleges.

1 6. Arizona state schools for the deaf and the blind.

2 7. Cotton research and protection council.

3 F. The director shall appoint a person in the office of the director
4 who is the state motor vehicle fleet alternative fuel and clean burning fuel
5 coordinator. The coordinator shall develop, implement, document, monitor and
6 modify as necessary a statewide alternative fuels plan in consultation with
7 all state agencies and departments that are subject to the alternative fuel
8 and clean burning fuel requirements prescribed in this section or any other
9 law. The approval of the coordinator is required for all acquisitions of
10 vehicles pursuant to this section, except for acquisitions by community
11 college districts.

12 G. Purchases of all new motor vehicles that primarily operate in
13 counties with a population of more than two hundred fifty thousand persons
14 and that have a gross vehicle weight of eight thousand five hundred pounds or
15 less, including those agency motor vehicle fleets listed in subsection E of
16 this section, shall meet the following minimum requirements for vehicles:

17 1. For model year 1997, ten per cent of new motor vehicles purchased
18 shall be capable of operating on alternative fuels.

19 2. For model year 1998, fifteen per cent of new motor vehicles
20 purchased shall be capable of operating on alternative fuels.

21 3. For model year 1999, twenty-five per cent of new motor vehicles
22 purchased shall be capable of operating on alternative fuels.

23 4. For model year 2000, fifty per cent of new motor vehicles purchased
24 shall be capable of operating on alternative fuels.

25 5. For model year 2001 and all subsequent model years, seventy-five
26 per cent of new motor vehicles purchased shall be capable of operating on
27 alternative fuels or clean burning fuels.

28 H. Purchases of new alternative fuel and clean burning fuel vehicles
29 that have a gross vehicle weight of eight thousand five hundred pounds or
30 less shall meet the following minimum requirements for vehicles that
31 primarily operate in counties with a population of more than one million two
32 hundred thousand persons:

33 1. For model year 2000, forty per cent of new alternative fuel and
34 clean burning fuel vehicles purchased shall comply with the United States
35 environmental protection agency standards for low emission vehicles pursuant
36 to 40 Code of Federal Regulations section 88.104-94 or 88.105-94.

37 2. For model year 2001, fifty per cent of new alternative fuel and
38 clean burning fuel vehicles purchased shall comply with the United States
39 environmental protection agency standards for low emission vehicles pursuant
40 to 40 Code of Federal Regulations section 88.104-94 or 88.105-94.

41 3. For model year 2002, sixty per cent of new alternative fuel and
42 clean burning fuel vehicles purchased shall comply with the United States
43 environmental protection agency standards for low emission vehicles pursuant
44 to 40 Code of Federal Regulations section 88.104-94 or 88.105-94.

1 4. For model year 2003, seventy per cent of new alternative fuel and
2 clean burning fuel vehicles purchased shall comply with the United States
3 environmental protection agency standards for low emission vehicles pursuant
4 to 40 Code of Federal Regulations section 88.104-94 or 88.105-94.

5 I. The coordinator may waive the requirements of subsection G of this
6 section for any state agency on receipt of certification supported by
7 evidence acceptable to the coordinator that:

8 1. The agency's vehicles will be operating primarily in an area in
9 which neither the agency nor a supplier has established or can reasonably be
10 expected to establish a central refueling station for alternative fuels or
11 clean burning fuels.

12 2. The agency is unable to acquire or be provided equipment or
13 refueling facilities necessary to operate vehicles using alternative fuels or
14 clean burning fuels at a projected cost that is reasonably expected to result
15 in net costs of no greater than thirty per cent more than the net costs
16 associated with the continued use of traditional gasoline or diesel fuels
17 measured over the expected useful life of the equipment or facilities
18 supplied. Applications for waivers shall be filed with the department of
19 environmental quality pursuant to section 49-412. An entity that receives a
20 waiver pursuant to this section shall retrofit fleet heavy-duty diesel
21 vehicles with a gross vehicle weight of eight thousand five hundred pounds or
22 more that were manufactured in or before model year 1993 and that are the
23 subject of the waiver with a technology that is effective at reducing
24 particulate emissions at least twenty-five per cent or more and that has been
25 approved by the United States environmental protection agency pursuant to the
26 urban bus engine retrofit/rebuild program. The entity shall comply with the
27 implementation schedule pursuant to section 49-555.

28 J. The department of administration, through the coordinator, may
29 acquire or be provided equipment or refueling facilities necessary to operate
30 such vehicles using alternative fuels or clean burning fuels:

31 1. By purchase or lease as authorized by law.

32 2. By gift or loan of the equipment or facilities.

33 3. By gift or loan of the equipment or facilities or any other
34 arrangement pursuant to a service contract for the supply of alternative
35 fuels or clean burning fuels.

36 K. The coordinator and the department of commerce energy office shall
37 develop and implement a vehicle fleet energy conservation plan for the
38 purposes of reducing vehicle fuel consumption and to encourage and
39 progressively increase the use of alternative fuels and clean burning fuels
40 in state owned vehicles. The plans shall include:

41 1. A timetable by which fleet vehicles shall be replaced with vehicles
42 that have demonstrated high fuel economy estimates within their vehicle
43 class.

44 2. A timetable for increasing the use of alternative fuels and clean
45 burning fuels in fleet vehicles either through purchase or conversion. The

1 timetable shall reflect the following schedule and percentage of vehicles
2 which operate on alternative fuels or clean burning fuels:

3 (a) Not less than forty per cent of the total fleet by December 31,
4 1995, except for community college districts. Community college districts
5 shall comply by December 31, 2002.

6 (b) Not less than ninety per cent of the total fleet operating
7 primarily in counties with populations exceeding one million two hundred
8 thousand persons according to the most recent federal decennial census by
9 December 31, 1997, except for community college districts. Community college
10 districts shall comply by December 31, 2004.

11 3. Options for increasing, whenever possible, the use of vehicles that
12 have the capability to use available alternative fuels or clean burning
13 fuels, or vehicles that may be economically converted, if needed, for the use
14 of alternative fuels or clean burning fuels.

15 4. Options for the use of demonstrated innovative technologies that
16 promote energy conservation and reduced fuel consumption.

17 5. Methods that promote efficient trip planning and state vehicle use.

18 6. Car pooling and van pooling for agency employees for commuting and
19 job related travel.

20 L. The coordinator shall identify specific vehicle models within each
21 vehicle class that would meet the demands of each state agency and that
22 demonstrate a high degree of fuel economy. Vehicle classes and fuel economy
23 comparisons shall be based on United States department of energy and United
24 States environmental protection agency data pursuant to title 15 United
25 States Code sections 2003 through 2006. For the use of an alcohol fueled
26 vehicle, the state agency shall demonstrate to the director that the fuel for
27 the vehicle is available within a ten mile radius of the primary home base of
28 that vehicle.

29 M. Subsections G, H, I, J, K, L, N, O and P of this section do not
30 apply to the purchase or lease of the following:

31 1. A vehicle to be used primarily for criminal law enforcement.

32 2. A motorcycle.

33 3. An all-terrain vehicle.

34 4. An ambulance.

35 5. A fire truck, a fire engine or any other fire suppression
36 apparatus.

37 N. Any contract for conversion of vehicles to alternative fuels
38 pursuant to this section shall be entered into by competitive sealed
39 proposals pursuant to section 41-2534.

40 O. If everything else is equal, when contracting for vehicles to
41 satisfy the requirements prescribed in this section, preference shall be
42 given to vehicles with the lowest emissions levels.

43 P. The departments and agencies excluded from participation in the
44 state motor vehicle fleet pursuant to subsection E of this section shall
45 develop and implement a program for alternative fuels and clean burning fuels

1 and fuel economy for their motor vehicle fleets substantially similar to the
2 standards set forth in this section, and the program shall be submitted to
3 the coordinator for review.

4 Q. All agencies, including those listed in subsection E of this
5 section, shall comply with the plan developed and implemented by the
6 coordinator pursuant to subsection F of this section.

7 R. On or before November 1 of each year, the director shall submit a
8 report to the governor, the speaker of the house of representatives, the
9 president of the senate, the governor's office of strategic planning and
10 budgeting and the joint legislative budget committee concerning the use of
11 alternative fuels and clean burning fuels in the state motor vehicle fleet.
12 The report shall include at least the following:

13 1. The number of state fleet vehicles.

14 2. The number of state fleet vehicles used primarily in Maricopa
15 county.

16 3. The number of state fleet vehicles capable of using alternative
17 fuels or clean burning fuels.

18 4. Progress on compliance with federal and state guidelines mandating
19 the conversion of state fleet vehicles to alternatively fueled vehicles.

20 5. Alternative fuels and clean burning fuels usage data.

21 6. Information received from state agencies pursuant to subsection C
22 of this section.

23 7. Information gathered from local offices of federal agencies
24 regarding progress made toward implementing the federal mandates relating to
25 the conversion of motor vehicle fleets to alternative fuels or clean burning
26 fuels pursuant to subsection G of this section.

27 S. IF THE REQUIREMENTS OF SUBSECTIONS G, H AND K OF THIS SECTION ARE
28 MET BY THE USE OF CLEAN BURNING FUEL, VEHICLE EQUIVALENTS UNDER THOSE
29 REQUIREMENTS SHALL BE CALCULATED AS FOLLOWS:

30 1. ONE VEHICLE EQUIVALENT FOR EVERY FOUR HUNDRED FIFTY GALLONS OF NEAT
31 BIODIESEL OR TWO THOUSAND TWO HUNDRED FIFTY GALLONS OF A DIESEL FUEL
32 SUBSTITUTE PRESCRIBED IN SECTION 1-215, PARAGRAPH 7, SUBDIVISION (b) IN
33 VEHICLES WITH A GROSS VEHICLE WEIGHT RATING OF AT LEAST EIGHTY-FIVE HUNDRED
34 POUNDS.

35 2. ONE VEHICLE EQUIVALENT FOR EVERY FIVE HUNDRED THIRTY GALLONS OF THE
36 FUEL PRESCRIBED IN SECTION 1-215, PARAGRAPH 7, SUBDIVISION (d).

37 ~~S.~~ T. For the purposes of this section:

38 1. "Alternative fuels" has the same meaning prescribed in section
39 1-215.

40 2. "Clean burning fuels" has the same meaning prescribed in section
41 1-215.

42 3. "New motor vehicle" means an original equipment manufactured
43 vehicle, a converted original equipment manufactured vehicle or an original
44 equipment manufactured vehicle that will be converted.

1 Sec. 7. Title 45, chapter 14, article 4, Arizona Revised Statutes, is
2 amended by adding section 45-2473, to read:

3 45-2473. Arizona water banking authority; interstate water
4 banking; accounting

5 A. FOR EACH YEAR DURING WHICH THE ARIZONA WATER BANKING AUTHORITY IS
6 OWED OR RECEIVES MONIES PURSUANT TO AN INTERSTATE WATER BANKING AGREEMENT
7 WITH THE STATE OF NEVADA, OR ANY AGENCY OR POLITICAL SUBDIVISION OF THE STATE
8 OF NEVADA, INCLUDING THE SOUTHERN NEVADA WATER AUTHORITY, THE ARIZONA WATER
9 BANKING AUTHORITY SHALL PROVIDE A FULL REPORT TO THE JOINT LEGISLATIVE BUDGET
10 COMMITTEE THAT ACCOUNTS FOR ALL OF THE MONIES RECEIVED THROUGH THE INTERSTATE
11 WATER BANKING AGREEMENT AND SHALL ACCOUNT FOR ALL DISBURSEMENTS MADE WITH
12 THOSE MONIES, INCLUDING MONIES USED TO PURCHASE OR STORE WATER OR OTHERWISE
13 FULFILL CONTRACTUAL OBLIGATIONS WITH THE STATE OF NEVADA UNDER THAT
14 AGREEMENT. THE ARIZONA WATER BANKING AUTHORITY SHALL INCLUDE IN THESE
15 REPORTS ANY PREPAID MONIES TO THE CENTRAL ARIZONA PROJECT, ANY MONIES
16 RECEIVED UNDER THE AGREEMENT THAT ARE PLACED IN AN ACCOUNT WITH THE STATE
17 TREASURER AND ANY CONTRACT THAT OBLIGATES THE ARIZONA WATER BANKING AUTHORITY
18 TO PAY OR DISBURSE THESE MONIES TO ANY OTHER ENTITY, INCLUDING THE CENTRAL
19 ARIZONA PROJECT.

20 B. THE ARIZONA WATER BANKING AUTHORITY SHALL SUBMIT THE REPORT
21 PRESCRIBED IN SUBSECTION A TO THE JOINT LEGISLATIVE BUDGET COMMITTEE ON OR
22 BEFORE OCTOBER 1 FOLLOWING THE FISCAL YEAR FOR WHICH THE REPORT IS MADE. THE
23 REPORT SUBMITTED ON OR BEFORE OCTOBER 1, 2006 SHALL CONTAIN THE INFORMATION
24 FOR BOTH FISCAL YEARS 2004-2005 AND 2005-2006.

25 Sec. 8. Section 49-474.01, Arizona Revised Statutes, is amended to
26 read:

27 49-474.01. Additional board duties in vehicle emissions control
28 areas; definitions

29 A. The board of supervisors of a county which contains any portion of
30 area A or area B as defined in section 49-541 shall:

31 1. In area A, in consultation with the designated metropolitan
32 planning organization, synchronize traffic control signals on all existing
33 and new roadways, within the unincorporated area and at jurisdictional
34 boundaries, which have a traffic flow exceeding fifteen thousand motor
35 vehicles per day.

36 2. In area A, beginning on January 1, 2000, develop and implement
37 plans to stabilize targeted unpaved roads, alleys and unpaved shoulders on
38 targeted arterials. The plans shall address the performance goals, the
39 criteria for targeting roads, alleys and arterials, a schedule for
40 implementation, funding options and reporting requirements.

41 3. In area A, acquire or utilize vacuum systems or other dust removal
42 technology to reduce the particulates attributable to conventional crack
43 sealing operations as existing equipment is retired.

44 4. In area B, synchronize traffic control signals on roadways with a
45 traffic flow exceeding fifteen thousand motor vehicles per day.

1 5. Implement adjusted work hours for at least eighty-five per cent of
2 county employees in area A each year beginning October 1 and ending April 1
3 in order to reduce the level of carbon monoxide concentrations caused by
4 vehicular travel.

5 B. The board of supervisors of a county that contains any portion of
6 area A as defined in section 49-541 shall make and enforce ordinances
7 consistent with ~~the provisions of~~ section 49-588 to reduce or encourage the
8 reduction of the commuter use of motor vehicles by employees of the county
9 and employees whose place of employment is within area A.

10 C. The board of supervisors in a county that contains any portion of
11 area A shall develop and implement a vehicle fleet plan for the purpose of
12 encouraging and progressively increasing the use of alternative fuels and
13 clean burning fuels in county owned vehicles operating in area A.

14 D. The plan shall include a timetable for increasing the use of
15 alternative fuels and clean burning fuels in fleet vehicles either through
16 purchase or conversion. The timetable shall reflect the following schedule
17 and percentage of vehicles ~~which~~ THAT operate on alternative fuels or clean
18 burning fuels:

19 1. At least eighteen per cent of the total fleet by December 31, 1995.

20 2. At least twenty-five per cent of the total fleet by December 31,
21 1996.

22 3. At least fifty per cent of the total fleet by December 31, 1998.

23 4. At least seventy-five per cent of the total fleet by December 31,
24 2000 and each year thereafter.

25 E. The requirements of subsections C and D of this section may be
26 waived on receipt of certification supported by evidence acceptable to the
27 department that the county is unable to acquire or be provided equipment or
28 refueling facilities necessary to operate vehicles using alternative fuels or
29 clean burning fuels at a projected cost that is reasonably expected to result
30 in net costs of no greater than ten per cent more than the net costs
31 associated with the continued use of conventional gasoline or diesel fuels
32 measured over the expected useful life of the equipment or facilities
33 supplied. Applications for waivers shall be filed with the department
34 pursuant to section 49-412. An entity that receives a waiver pursuant to
35 this section shall retrofit fleet heavy-duty diesel vehicles with a gross
36 vehicle weight of eight thousand five hundred pounds or more, that were
37 manufactured in or before model year 1993 and that are the subject of the
38 waiver with a technology that is effective at reducing particulate emissions
39 at least twenty-five per cent or more and that has been approved by the
40 United States environmental protection agency pursuant to the urban bus
41 engine retrofit/rebuild program. The entity shall comply with the
42 implementation schedule pursuant to section 49-555.

43 F. IF THE REQUIREMENTS OF SUBSECTIONS C AND D OF THIS SECTION ARE MET
44 BY THE USE OF CLEAN BURNING FUEL, VEHICLE EQUIVALENTS UNDER THOSE
45 REQUIREMENTS SHALL BE CALCULATED AS FOLLOWS:

1 1. ONE VEHICLE EQUIVALENT FOR EVERY FOUR HUNDRED FIFTY GALLONS OF NEAT
2 BIODIESEL OR TWO THOUSAND TWO HUNDRED FIFTY GALLONS OF A DIESEL FUEL
3 SUBSTITUTE PRESCRIBED IN SECTION 1-215, PARAGRAPH 7, SUBDIVISION (b).

4 2. ONE VEHICLE EQUIVALENT FOR EVERY FIVE HUNDRED THIRTY GALLONS OF THE
5 FUEL PRESCRIBED IN SECTION 1-215, PARAGRAPH 7, SUBDIVISION (d).

6 ~~F.~~ G. For the ~~purpose~~ PURPOSES of this section, "alternative fuel"
7 and "clean burning fuel" have the same ~~meaning~~ MEANINGS prescribed in section
8 1-215.

9 Sec. 9. Section 49-573, Arizona Revised Statutes, is amended to read:

10 49-573. Emissions controls; federal vehicles

11 A. The operator of a United States government owned vehicle fleet
12 based primarily in this state shall develop and implement a vehicle fleet
13 plan for the purpose of encouraging and progressively increasing the use of
14 alternative fuels and clean burning fuels in United States government owned
15 vehicles. The plan shall include a timetable for increasing the use of
16 alternative fuels and clean burning fuels in fleet vehicles either through
17 purchase or conversion.

18 B. The timetable shall reflect the following schedule and percentage
19 of vehicles ~~which~~ THAT operate on alternative fuels and clean burning fuels:

20 1. At least ten per cent of the total fleet by December 31, 1994.

21 2. At least forty per cent of the total fleet by December 31, 1995.

22 3. For fleets operating primarily in counties with a population of
23 more than one million two hundred thousand persons according to the most
24 recent United States decennial census, at least ninety per cent of the total
25 fleet by December 31, 1997 and each year thereafter.

26 C. The requirements of subsections A and B of this section may be
27 waived on receipt of certification supported by evidence acceptable to the
28 department of environmental quality that the United States government fleet
29 operator is unable to acquire or be provided equipment or refueling
30 facilities necessary to operate vehicles using alternative fuels or clean
31 burning fuels at a projected cost that is reasonably expected to result in
32 net costs of no greater than thirty per cent more than the net costs
33 associated with the continued use of conventional gasoline or diesel fuels
34 measured over the expected useful life of the equipment or facilities
35 supplied. An entity that receives a waiver pursuant to this section shall
36 retrofit fleet heavy-duty diesel vehicles with a gross vehicle weight of
37 eight thousand five hundred pounds or more, that were manufactured in or
38 before model year 1993 and that are the subject of the waiver with a
39 technology that is effective at reducing particulate emissions at least
40 twenty-five per cent or more and that has been approved by the United States
41 environmental protection agency pursuant to the urban bus engine
42 retrofit/rebuild program. The entity shall comply with the implementation
43 schedule pursuant to section 49-555.

1 D. IF THE REQUIREMENTS OF SUBSECTIONS A AND B OF THIS SECTION ARE MET
2 BY THE USE OF CLEAN BURNING FUEL, VEHICLE EQUIVALENTS UNDER THOSE
3 REQUIREMENTS SHALL BE CALCULATED AS FOLLOWS:

4 1. ONE VEHICLE EQUIVALENT FOR EVERY FOUR HUNDRED FIFTY GALLONS OF NEAT
5 BIODIESEL OR TWO THOUSAND TWO HUNDRED FIFTY GALLONS OF A DIESEL FUEL
6 SUBSTITUTE PRESCRIBED IN SECTION 1-215, PARAGRAPH 7, SUBDIVISION (b).

7 2. ONE VEHICLE EQUIVALENT FOR EVERY FIVE HUNDRED THIRTY GALLONS OF THE
8 FUEL PRESCRIBED IN SECTION 1-215, PARAGRAPH 7, SUBDIVISION (d).

9 Sec. 10. Underground storage tank assurance account; transfer
10 of monies; uses

11 Notwithstanding any other law, the administrative cap established in
12 section 49-1051, subsection B, paragraphs 2 and 3, Arizona Revised Statutes,
13 is suspended for fiscal year 2006-2007, and the department of environmental
14 quality may transfer \$6,331,000 from the assurance account of the underground
15 storage tank revolving fund for administrative costs of the underground
16 storage tank leak prevention program and funding for the used oil program.

17 Sec. 11. Arizona water protection fund; use

18 Notwithstanding section 45-2112, subsection B, Arizona Revised
19 Statutes, the annual appropriation from the state general fund to the Arizona
20 water protection fund for fiscal year 2006-2007 shall be as specified in the
21 general appropriations act.

22 Sec. 12. Livestock crop program; funding

23 Notwithstanding any other law, the administrative cap established in
24 section 41-511.23, subsection G, paragraph 1, subdivision (g), Arizona
25 Revised Statutes, is suspended for fiscal year 2006-2007 and the department
26 of agriculture may use up to ten per cent of the revenue from the livestock
27 and crop conservation fund for administration of the livestock crop
28 conservation program.

29 Sec. 13. Deposits in the due diligence fund; appropriation

30 Notwithstanding section 37-110, Arizona Revised Statutes, as added by
31 this act, all monies deposited in the due diligence fund established by
32 section 37-110, Arizona Revised Statutes, in fiscal year 2006-2007 are
33 appropriated for fiscal year 2006-2007.

34 Sec. 14. Conditional repeal; notice

35 A. Section 45-2473, Arizona Revised Statutes, as added by this act, is
36 repealed on June 30 of the fiscal year immediately following the last fiscal
37 year in which the monies received under the interstate water banking
38 agreement are used by the Arizona water banking authority paying for contract
39 obligation costs or by the legislature appropriating monies received in
40 excess of these costs, except that section 45-2473, Arizona Revised Statutes,
41 as added by this act, shall not be repealed before June 30, 2020.

42 B. The director of the department of water resources shall notify in
43 writing the director of the Arizona legislative council of the date in which
44 the condition prescribed in subsection A of this section is met.